

Attachment 3G(1)

Explanatory Note for Rural Development February 1, 2010

This note is USDA Rural Development's submittal to the Council on Environmental Quality (CEQ) for the Section 1609(c) of the American Recovery and Reinvestment Act of 2009 (ARRA) report through December 31, 2009. Rural Development is comprised of three federal agencies: Rural Housing Service, Rural Business-Cooperative Service, and the Rural Utilities Service. This report covers the status and progress of National Environmental Policy Act (NEPA) compliance on all Division A ARRA funded projects and activities for these three agencies.

The enclosed report lists the five Rural Development program areas that received funding under ARRA. Each of these areas has a unique Treasury Appropriation Fund Symbol. In this report we are providing the total obligations that will result in outlays (immediately or in the future), and the actual amount appropriated in ARRA for each program (adjusted to reflect up to a three percent reduction for administrative expenses, as allowed by ARRA). This data correlates with the Funds Available data on recovery.gov and is in alignment with ARRA.

As of December 31, 2009, Rural Development has obligated \$1,118,513,222 which is an increase of over \$194 million from the last report. Rural Development has completed over 10,100 NEPA reviews since the last report (approximately 10,050 CE's and 50 EAs).

For the Rural Housing Program, we grouped all Single Family Housing direct and guaranteed loans and reported them on the same line because these loans are for similar activities that are categorically excluded under NEPA. We listed the NEPA review date as the last date on which any reviews were made for that group.

Likewise, for the Rural Community Facilities Program, Rural Business Program and the Rural Water & Waste Disposal Program, we grouped similar activities which comply with NEPA in the same way. Under each of these programs, we reported two groups: categorical exclusions and environmental assessments. We listed the NEPA review date as the last date on which obligations were made for the respective group. An environmental impact statement was not required in any of these programs receiving ARRA funding.

Rural Development did not obligate any ARRA funds in the Distance Learning, Telemedicine, Broadband Program, as of December 31, 2009, but the agency is in the process of reviewing applications and expects to obligate funds soon.